GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3806
ANSWERED ON:16.05.2006
ENHANCEMENT IN INVESTMENT LIMIT
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a):Whether the Government has enhanced the investment limit in certain hi-tech and exportklj oriented items of the Small Scale Sector during the last three years;

(b) : If so, the details in this regard;

(c) : The extent to which the Small Scale Sector has been able to adjust in the changing scenario of economic liberation and globalisation by such enhancements; and

(d) : The other steps taken by the Government to increase participation of Small Scale Industries in the present scenario?

ANSWER (SHRI MAHABIR PRASAD)

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES

(a)&(b): During the last three years, the investment limit of small scale industries (SSI) in plant and machinery has been raised from Rs. 1 crore to Rs. 5 crore in respect of 99 high technology and export-oriented items which, inter alia, include stationery, drugs & pharmaceuticals, food & allied industries, plastics, chemicals & chemical products, glass & ceramics, ceramic tableware & allied items in stone wares, semi vitreous wares & earthen wares and auto parts, components and ancillaries, from among items reserved for exclusive manufacture in the SSI sector. The limit has also been similarly raised in respect of drugs and pharmaceuticals which are not reserved for such manufacture by the SSI.

(c): This enhancement of the investment limit has enabled the SSI units engaged in the manufacture of these items to meet the

requirements of technological upgradation, modernisation and international quality standards and become competitive, in both domestic and global markets.

(d): Government has been implementing several programmes/schemes to enable the SSI become competitive and participate effectively in the present market - driven economic environment. These include Credit Linked Subsidy Scheme for Technology Upgradation, which provides 15% upfront capital subsidy for loans up to Rs. 1 crore for technology upgradation; reimblursement of 75% of the cost of obtaining ISO 9000/14001 certification up to Rs. 75,000/-; reimbursement of registration fee up to Rs. 15,000/- for adopting bar coding of products; providing facilities of testing product quality through a network of Testing Centres set up in the country; organising sensitisation programmes on Intellectual Property Rights (IPR); setting up of a Small and Medium Enterprieses (SME) Fund of Rs. 10,000 crore and also a Technology Development and Modernisation Fund Scheme (TDMSFS) under the Small Industries Development Bank of India (SIDBI), etc.